



# भारत का राजपत्र

## The Gazette of India

प्रसाधारण

EXTRAORDINARY

भाग II—खंड 2

PART II—Section 2

प्राधिकार से प्रकाशित

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह प्रस्तुत संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed as a separate compilation.

## LOK SABHA

The following Bills were introduced in Lok Sabha on the 27th February, 1970:—

## BILL No. 16 OF 1970

*A Bill to provide for the acquisition and transfer of the undertakings of certain banking companies, having regard to their size, resources, coverage and organisation, in order to control the heights of the economy and to meet progressively, and serve better, the needs of development of the economy in conformity with national policy and objectives and for matters connected therewith or incidental thereto.*

Be it enacted by Parliament in the Twenty-first Year of the Republic of India as follows:—

## CHAPTER I

## PRELIMINARY

1. (1) This Act may be called the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970.

(2) The provisions of this Act (except section 21, which shall come into force on the appointed day) shall be deemed to have come into force on the 19th day of July, 1969.

Short title and comment.

Defini-  
tions

2. In this Act, unless the context otherwise requires,—

(a) "appointed day" means the 14th day of February, 1970, being the day on which the Banking Companies (Acquisition and Transfer of Undertakings) Ordinance, 1970, was promulgated;

(b) "banking company" does not include a foreign company within the meaning of section 591 of the Companies Act, 1956;

(c) "commencement of this Act" means the 19th day of July, 1969;

(d) "corresponding new bank", in relation to an existing bank, means the body corporate specified against such bank in column 2 of the First Schedule;

(e) "Custodian" means the person who becomes, or is appointed, a Custodian under section 7;

(f) "existing bank" means a banking company specified in column 1 of the First Schedule, being a company the deposits of which, as shown in the return as on the last Friday of June, 1969, furnished to the Reserve Bank under section 27 of the Banking Regulation Act, 1949, were not less than rupees fifty crores;

(g) "Schedule" means a Schedule to this Act;

(h) words and expressions used herein and not defined but defined in the Banking Regulation Act, 1949, have the meanings respectively assigned to them in that Act.

1 of 1952

10 of 1949.

10 of 1949.

Establish-  
ment of  
corre-  
sponding  
new  
banks  
and busi-  
ness  
thereof

## CHAPTER II

### TRANSFER OF THE UNDERTAKINGS OF EXISTING BANKS

3. (1) On the commencement of this Act, there shall be constituted such corresponding new banks as are specified in the First Schedule.

(2) The paid-up capital of every corresponding new bank constituted under sub-section (1) shall, until any provision is made in this behalf in any scheme made under section 9, be equal to the paid-up capital of the existing bank in relation to which it is the corresponding new bank.

(3) The entire capital of each corresponding new bank shall stand vested in, and allotted to, the Central Government.

(4) Every corresponding new bank shall be a body corporate with perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire, hold and dispose of property, and to contract, and may sue and be sued in its name.

(5) Every corresponding new bank shall carry on and transact the business of banking as defined in clause (b) of section 5 of the Banking Regulation Act, 1949, and may engage in one or more forms of business specified in sub-section (1) of section 6 of that Act.

10 of 1949.

(6) Every corresponding new bank shall establish a reserve fund to which shall be transferred the share premiums and the balance, if any, standing to the credit of the reserve fund of the existing bank in relation to which it is the corresponding new bank, and such further sums, if any, as may be transferred in accordance with the provisions of section 17 of the Banking Regulation Act, 1949.

10 of 1949.

4. On the commencement of this Act, the undertaking of every existing bank shall be transferred to, and shall vest in, the corresponding new bank.

Under-taking of existing banks to vest in corresponding new banks.

5. (1) The undertaking of each existing bank shall be deemed to include all assets, rights, powers, authorities and privileges and all property, movable and immovable, cash balances, reserve funds, investments and all other rights and interests in, or arising out of, such property as were immediately before the commencement of this Act in the ownership, possession, power or control of the existing bank in relation to the undertaking, whether within or without India, and all books of accounts, registers, records and all other documents of whatever nature relating thereto and shall also be deemed to include all borrowings, liabilities and obligations of whatever kind then subsisting of the existing bank in relation to the undertaking.

General effect of vesting.

(2) If, according to the laws of any country outside India, the provisions of this Act by themselves are not effective to transfer or vest any asset or liability situated in that country which forms part of the undertaking of an existing bank to, or in, the corresponding new bank, the affairs of the existing bank in relation to such asset or liability shall, on and from the commencement of this Act, stand entrusted to the chief executive officer for the time being of the corresponding new bank, and the chief executive officer may exercise all powers and do all such acts and things as may be exercised or done by the existing bank for the purpose of effectively transferring such assets and discharging such liabilities.

(3) The chief executive officer of the corresponding new bank shall, in exercise of the powers conferred on him by sub-section (2), take all such steps as may be required by the laws of any such country outside India for the purpose of effecting such transfer or vesting, and may either himself or through any person authorised by him in this behalf realise any asset and discharge any liability of the existing bank.

(4) Unless otherwise expressly provided by this Act, all contracts, deeds, bonds, agreements, powers of attorney, grants of legal representation and other instruments of whatever nature subsisting or having effect immediately before the commencement of this Act and to which the existing bank is a party or which are in favour of the existing bank shall be of as full force and effect against or in favour of the corresponding new bank, and may be enforced or acted upon as fully and effectually as if in the place of the existing bank the corresponding new bank had been a party thereto or as if they had been issued in favour of the corresponding new bank.

(5) If, on the appointed day, any suit, appeal or other proceeding of whatever nature in relation to any business of the undertaking which has been transferred under section 4, is pending by or against the existing bank, the same shall not abate, be discontinued or be, in any way.

prejudicially affected by reason of the transfer of the undertaking of the existing bank or of anything contained in this Act but the suit, appeal or other proceeding may be continued, prosecuted and enforced by or against the corresponding new bank.

(6) Nothing in this Act shall be construed as applying to the assets, rights, powers, authorities and privileges and property, movable and immovable, cash balances and investments in any country outside India (and other rights and interests in, or arising out of, such property) and borrowings, liabilities and obligations of whatever kind subsisting at the commencement of this Act, of any existing bank operating in that country if, under the laws in force in that country, it is not permissible for a banking company, owned or controlled by Government, to carry on the business of banking there.

### CHAPTER III

#### PAYMENT OF COMPENSATION

Payment of compensation.

6. (1) Every existing bank shall be given by the Central Government such compensation in respect of the transfer, under section 4, to the corresponding new bank of the undertaking of the existing bank as is specified against each such bank in the Second Schedule.

(2) The amount of compensation referred to in sub-section (1) shall be given to every existing bank, at its option,—

(a) in cash (to be paid by cheque drawn on the Reserve Bank) in three equal annual instalments, the amount of each instalment carrying interest at the rate of four per cent. per annum from the commencement of this Act, or

(b) in saleable or otherwise transferable promissory notes or stock certificates of the Central Government issued and repayable at par, and maturing at the end of—

(i) ten years from the commencement of this Act and carrying interest from such commencement at the rate of four and a half per cent. per annum, or

(ii) thirty years from the commencement of this Act and carrying interest from such commencement at the rate of five and a half per cent. per annum, or

(c) partly in cash (to be paid by cheque drawn on the Reserve Bank) and partly in such number of securities specified in sub-clause (i) or sub-clause (ii), or both, of clause (b), as may be required by the existing bank, or

(d) partly in such number of securities specified in sub-clause (i) of clause (b) and partly in such number of securities specified in sub-clause (ii) of that clause, as may be required by the existing bank.

(3) The first of the three equal annual instalments referred to in clause (a) of sub-section (2) shall be paid, and the securities referred to in clause (b) of that sub-section shall be issued, within sixty days from the date of receipt by the Central Government of the option referred to in that sub-section, or where no such option has been exercised, from the latest date before which such option ought to have been exercised.

(4) The option referred to in sub-section (2) shall be exercised by every existing bank before the expiry of a period of three months from the appointed day (or within such further time, not exceeding three months, as the Central Government may, on the application of the existing bank, allow) and the option so exercised shall be final and shall not be altered or rescinded after it has been exercised.

(5) Any existing bank which omits or fails to exercise the option referred to in sub-section (2), within the time specified in sub-section (4), shall be deemed to have opted for payment in securities specified in sub-clause (i) of clause (b) of sub-section(2).

(6) Notwithstanding anything contained in this section, any existing bank may, before the expiry of three months from the appointed day (or within such further time, not exceeding three months, as the Central Government may, on the application of the existing bank, allow) make an application in writing to the Central Government for an interim payment of an amount equal to seventy-five per cent. of the amount of the paid-up capital of such bank, as on the commencement of this Act, indicating therein whether the payment is desired in cash or in securities specified in sub-section (2), or in both.

(7) The Central Government shall, within sixty days from the receipt of the application referred to in sub-section (6), make the interim payment to the existing bank in accordance with the option indicated in such application.

(8) The interim payment made to an existing bank under sub-section (7) shall be set off against the total amount of compensation payable to such existing bank under this Act and the balance of the compensation remaining outstanding after such payment shall be given to the existing bank in accordance with the option exercised, or deemed to have been exercised, under sub-section (4) or sub-section (5), as the case may be:

Provided that where any part of the interim payment is obtained by an existing bank in cash, the payment so obtained shall be set off, in the first instance, against the first instalment of the cash payment referred to in sub-section (2), and in case the payment so obtained exceeds the amount of the first instalment, the excess amount shall be adjusted against the second instalment and the balance of such excess amount, if any, against the third instalment of the cash payment.

(9) Any payment purported to have been made to an existing bank under sub-section (3) of section 15 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1969, shall be deducted by the Central Government from the amount of the interim payment made to such existing bank under sub-section (7), or where no such interim payment has been made, from the total amount of the compensation due to such existing bank, and the amount so deducted shall be paid by the Central Government to the corresponding new bank.

## CHAPTER IV

## MANAGEMENT OF CORRESPONDING NEW BANKS

Head  
office and  
management.

7. (1) The head office of each corresponding new bank shall be at such place as the Central Government may, by notification in the Official Gazette, specify in this behalf, and, until any such place is so specified, shall be at such place at which the head office of the existing bank, in relation to which it is the corresponding new bank, is on the commencement of this Act, located.

(2) The general superintendence, direction and management of the affairs and business of a corresponding new bank shall vest in a Board of Directors which shall be entitled to exercise all such powers and do all such acts and things as the corresponding new bank is authorised to exercise and do.

(3) (a) As soon as may be after the appointed day, the Central Government shall, in consultation with the Reserve Bank, constitute the first Board of Directors of a corresponding new bank, consisting of not more than seven persons, to be appointed by the Central Government, and every director so appointed shall hold office until the Board of Directors of such corresponding new bank is constituted in accordance with the scheme made under section 9:

Provided that the Central Government may, if it is of opinion that it is necessary in the interests of the corresponding new bank so to do, remove a person from the membership of the first Board of Directors and appoint any other person in his place.

(b) Every member of the first Board of Directors (not being an officer of the Central Government or of the Reserve Bank) shall receive such remuneration as is equal to the remuneration which a member of the Board of Directors of the existing bank was entitled to receive immediately before the commencement of this Act.

(4) Until the first Board of Directors is appointed by the Central Government under sub-section (3), the general superintendence, direction and management of the affairs and business of a corresponding new bank shall vest in a Custodian, who shall be the chief executive officer of that bank and may exercise all powers and do all acts and things as may be exercised or done by that bank.

(5) The Chairman of an existing bank holding office as such immediately before the commencement of this Act, shall be the Custodian of the corresponding new bank and shall receive the same emoluments as he was receiving immediately before such commencement:

Provided that the Central Government may, if the Chairman of an existing bank declines to become, or to continue to further as, a Custodian of the corresponding new bank, or, if it is of opinion that it is necessary in the interests of the corresponding new bank so to do, appoint any other person as the Custodian of a corresponding new bank and the Custodian so appointed shall receive such emoluments as the Central Government may specify in this behalf.

(6) The Custodian shall hold office during the pleasure of the Central Government.

**8.** Every corresponding new bank shall, in the discharge of its functions, be guided by such directions in regard to matters of policy involving public interest as the Central Government may, after consultation with the Governor of the Reserve Bank, give.

Corres-  
ponding  
new banks  
to be guid-  
ed by the  
directions  
of the  
Central  
Govern-  
ment.

**9. (1)** The Central Government may, after consultation with the Reserve Bank, make a scheme for carrying out the provisions of this Act.

Power  
of Cen-  
tral Gov-  
ernment to  
make  
scheme.

(2) In particular, and without prejudice to the generality of the foregoing power, the said scheme may provide for all or any of the following matters, namely:—

(a) the capital structure of the corresponding new bank, so however that the paid-up capital of any such bank shall not be in excess of rupees fifteen crores;

(b) the constitution of the Board of Directors, by whatever name called, of the corresponding new bank and all such matters in connection therewith or incidental thereto as the Central Government may consider to be necessary or expedient;

(c) the reconstitution of any corresponding new bank into two or more corporations, the amalgamation of any corresponding new bank with any other corresponding new bank or with another banking institution, the transfer of the whole or any part of the undertaking of a corresponding new bank to any other banking institution or the transfer of the whole or any part of the undertaking of any other banking institution to a corresponding new bank;

(d) such incidental, consequential and supplemental matters as may be necessary to carry out the provisions of this Act.

(3) Every Board of Directors of a corresponding new bank, constituted under any scheme made under sub-section (1), shall include—

(a) representatives of the employees, and of depositors, of such bank, and

(b) such other persons as may represent the interests of each of the following categories, namely, farmers, workers and artisans,

to be elected or nominated in such manner as may be specified in the scheme.

(4) The Central Government may, after consultation with the Reserve Bank, make a scheme to amend or vary any scheme made under sub-section (1).

(5) Every scheme made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the scheme or both Houses agree that the scheme should not be made, the scheme shall thereafter have effect only in such modified form or be

of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that scheme.

## CHAPTER V

### MISCELLANEOUS

Closure of  
accounts  
and  
disposal  
of Profits.

10. (1) Every corresponding new bank shall cause its books to be closed and balanced on the 31st day of December of each year and shall appoint, with the previous approval of the Reserve Bank, auditors for the audit of its accounts.

(2) Every auditor of a corresponding new bank shall be a person who is qualified to act as an auditor of a company under section 226 of the Companies Act, 1956, and shall receive such remuneration as the Reserve Bank may fix in consultation with the Central Government.

<sup>1</sup> of 1954.

(3) Every auditor shall be supplied with a copy of the annual balance-sheet and profit and loss account and a list of all books kept by the corresponding new bank, and it shall be the duty of the auditor to examine the balance-sheet and profit and loss account with the accounts and vouchers relating thereto, and in the performance of his duties, the auditor—

(a) shall have, at all reasonable times, access to the books, accounts and other documents of the corresponding new bank,

(b) may, at the expense of the corresponding new bank, employ accountants or other persons to assist him in investigating such accounts, and

(c) may, in relation to such accounts, examine the Custodian or any officer or employee of the corresponding new bank.

(4) Every auditor of a corresponding new bank shall make a report to the Central Government upon the annual balance-sheet and accounts and in every such report shall state—

(a) whether, in his opinion, the balance-sheet is a full and fair balance-sheet containing all the necessary particulars and is properly drawn up so as to exhibit a true and fair view of the affairs of the corresponding new bank, and in case he had called for any explanation or information, whether it has been given and whether it is satisfactory;

(b) whether or not the transactions of the corresponding new bank, which have come to his notice, have been within the powers of that bank;

(c) whether or not the returns received from the offices and branches of the corresponding new bank have been found adequate for the purpose of his audit;

(d) whether the profit and loss account shows a true balance of profit or loss for the period covered by such account; and

(e) any other matter which he considers should be brought to the notice of the Central Government.

(5) The report of the auditor shall be verified, signed and transmitted to the Central Government.

(6) The auditor shall also forward a copy of the audit report to the corresponding new bank and to the Reserve Bank.

(7) After making provision for bad and doubtful debts, depreciation in assets, contributions to staff and superannuation funds and all other matters for which provision is necessary under any law, or which are usually provided for by banking companies, a corresponding new bank shall transfer the balance of profits to the Central Government.

(8) The Central Government shall cause every auditor's report and report on the working and activities of each corresponding new bank to be laid for not less than thirty days before each House of Parliament as soon as may be after each such report is received by the Central Government.

13 of 1961.

11. For the purposes of the Income-tax Act, 1961, every corresponding new bank shall be deemed to be an Indian company and a company in which the public are substantially interested.

Corresponding new bank deemed to be an Indian company.

Removal of Chairman from office.

12. (1) Every person holding office, immediately before the commencement of this Act, as Chairman of an existing bank shall, if he becomes Custodian of the corresponding new bank, be deemed, on such commencement, to have vacated office as such Chairman.

(2) Save as otherwise provided in sub-section (1), every officer or other employee of an existing bank shall become, on the commencement of this Act, an officer or other employee, as the case may be, of the corresponding new bank and shall hold his office or service in that bank on the same terms and conditions and with the same rights to pension, gratuity and other matters as would have been admissible to him if the undertaking of the existing bank had not been transferred to and vested in the corresponding new bank and continue to do so unless and until his employment in the corresponding new bank is terminated or until his remuneration, terms or conditions are duly altered by the corresponding new bank.

(3) For the persons who immediately before the commencement of this Act were the trustees for any pension, provident, gratuity or other like fund constituted for the officers or other employees of an existing bank, there shall be substituted as trustees such persons as the Central Government may, by general or special order, specify.

14 of 1947

(4) Notwithstanding anything contained in the Industrial Disputes Act, 1947, or in any other law for the time being in force, the transfer of the services of any officer or other employee from an existing bank to a corresponding new bank shall not entitle such officer or other employee to any compensation under this Act or any other law for the time being in force and no such claim shall be entertained by any court, tribunal or other authority.

13. (1) Every corresponding new bank shall observe, except as otherwise required by law, the practices and usages customary among bankers, and, in particular, it shall not divulge any information relating to or to the affairs of its constituents except in circumstances in which it is, in accordance with law or practices and usages customary among bankers, necessary or appropriate for the corresponding new bank to divulge such information.

Obligations as to fidelity and secrecy.

(2) Every director, member of a local board or a committee, or auditor, adviser, officer or other employee of a corresponding new bank shall, before entering upon his duties, make a declaration of fidelity and secrecy in the form set out in the Third Schedule.

(3) Every Custodian of a corresponding new bank shall, as soon as possible, make a declaration of fidelity and secrecy in the form set out in the Third Schedule.

Custodian  
to be public  
servant.

**14.** Every Custodian of a corresponding new bank shall be deemed to be a public servant for the purposes of Chapter IX of the Indian Penal Code.

45 of 1860

Certain  
defects  
not to  
invalidate  
acts or  
proceed-  
ings.

**15.** (1) All acts done by the Custodian, acting in good faith, shall, notwithstanding any defect in his appointment or in the procedure, be valid.

(2) No act or proceeding of any Board of Directors or a local board or committee of a corresponding new bank shall be invalid merely on the ground of the existence of any vacancy in, or defect in the constitution of, such board or committee, as the case may be.

(3) All acts done by a person acting in good faith as a director or member of a local board or committee of a corresponding new bank shall be valid, notwithstanding that it may afterwards be discovered that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provision contained in any law for the time being in force:

Provided that nothing in this section shall be deemed to give validity to any act by a director or member of a local board or committee of a corresponding new bank after his appointment has been shown to the corresponding new bank to be invalid or to have terminated.

Indemnity.

**16.** (1) Every Custodian of a corresponding new bank and every officer of the Central Government or of the Reserve Bank and every officer or other employee of a corresponding new bank, shall be indemnified by such bank against all losses and expenses incurred by him in or in relation to the discharge of his duties except such as have been caused by his own wilful act or default.

(2) A director or member of a local board or committee of a corresponding new bank shall not be responsible for any loss or expense caused to such bank by the insufficiency or deficiency of the value of, or title to, any property or security acquired or taken on behalf of the corresponding new bank, or by the insolvency or wrongful act of any customer or debtor, or by anything done in or in relation to the execution of the duties of his office, unless such loss, expense, insufficiency or deficiency was due to any wilful act or default on the part of such director or member.

**17.** Any reference to any existing bank in any law, other than this Act, or in any contract or other instrument shall, in so far as it relates to the undertaking which has been transferred by section 4, be construed as a reference to the corresponding new bank.

References to existing banks on and from the commencement of this Act.

**18.** No provision of law relating to winding up of corporations shall apply to a corresponding new bank and no corresponding new bank shall be placed in liquidation save by order of the Central Government and in such manner as it may direct.

Dissolution.

**19.** (1) The Board of Directors of a corresponding new bank may, after consultation with the Reserve Bank and with the previous sanction of the Central Government, make regulations, not inconsistent with the provisions of this Act or any scheme made thereunder, to provide for all matters for which provision is expedient for the purpose of giving effect to the provisions of this Act.

Power to make regulations.

(2) In particular, and without prejudice to the generality of the foregoing power, the regulations may provide for all or any of the following matters, namely:—

(a) the powers, functions and duties of local boards and restrictions, conditions or limitations, if any, subject to which they may be exercised or performed, the formation and constitution of local committees and committees of local board (including the number of members of any such committee), the powers, functions and duties of such committees, the holding of meetings of local committees and committees of local boards and the conduct of business thereat;

(b) the manner in which the business of the local boards shall be transacted and the procedure in connection therewith;

(c) the delegation of powers and functions of the board of directors of a corresponding new bank to the general manager, director, officer or other employee of that bank;

(d) the conditions or limitations subject to which the corresponding new bank may appoint advisers, officers or other employees and fix their remuneration and other terms and conditions of service;

(e) the duties and conduct of advisers, officers or other employees of the corresponding new bank;

(f) the establishment and maintenance of superannuation, pension, provident or other funds for the benefit of officers or other employees of the corresponding new bank or of the dependants of such officers or other employees and the granting of superannuation allowances, annuities and pensions payable out of such funds;

(g) the conduct and defence of legal proceedings by or against the corresponding new bank and the manner of signing pleadings;

(h) the provision of a seal for the corresponding new bank and the manner and effect of its use;

(i) the form and manner in which contracts binding on the corresponding new bank may be executed;

(j) the conditions and the requirements subject to which loans or advances may be made or bills may be discounted or purchased by the corresponding new bank;

(k) the persons or authorities who shall administer any pension, provident or other fund constituted for the benefit of officers or other employees of the corresponding new bank or their dependants;

(l) the preparation and submission of statements of programmes of activities and financial statements of the corresponding new bank and the period for which and the time within which such statements and estimates are to be prepared and submitted; and

(m) generally for the efficient conduct of the affairs of the corresponding new bank.

(3) Until any regulation is made under sub-section (1), the articles of association of the existing bank and every regulation, rule, bye-law or order made by the existing bank shall, if in force at the commencement of this Act, be deemed to be the regulations made under sub-section (1) and shall have effect accordingly and any reference therein to any authority of the existing bank shall be deemed to be a reference to the corresponding authority of the corresponding new bank and until any such corresponding authority is constituted under this Act, shall be deemed to refer to the Custodian.

Amend-  
ment of  
certain  
enact-  
ments.

**20. (1) In the Banking Regulation Act, 1949,—**

**10 of 1949.**

(a) in section 34A, in sub-section (3), for the words "and any subsidiary bank", the words, figures and brackets "a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, and any subsidiary bank" shall be substituted;

(b) in section 36AD, in sub-section (3), for the words "and any subsidiary bank", the words, figures and brackets "a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, and any subsidiary bank" shall be substituted;

(c) in section 51, for the words "or any other banking institution notified by the Central Government in this behalf", the words, figures and brackets "or any corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, or any other banking institution notified by the Central Government in this behalf" shall be substituted;

(d) in the Fifth Schedule, in Part I of paragraph 1, in clause (e), the *Explanations* shall be deemed never to have been inserted.

(2) In the Industrial Disputes Act, 1947, in section 2, in clause (bb), for the words "and any subsidiary bank", the words, figures and brackets "a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, and any subsidiary bank" shall be substituted.

**14 of 1947.**

(3) In the Banking Companies (Legal Practitioners' Clients' Accounts) Act, 1949, in section 2, in clause (a), for the words "and any subsidiary bank", the words, figures and brackets "a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, and any subsidiary bank" shall be substituted.

**46 of 1949.**

tion and Transfer of Undertakings) Act, 1970, and any subsidiary bank" shall be substituted.

47 of 1961.

(4) In the Deposit Insurance Corporation Act, 1961,—

(a) in section 2,—

(i) after clause (e), the following clause shall be inserted, namely:—

‘(ee) “corresponding new bank” means a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970;’;

(ii) in clause (g),—

(a) for the words “or a banking company”, the words “a corresponding new bank or a banking company”, and

(b) for the words “with a banking company”, the words “with a corresponding new bank or with a banking company”,

shall be substituted;

(iii) in clause (i), after the words “banking company”, the words “or a corresponding new bank” shall be inserted;

(b) section 13 shall be re-numbered as sub-section (1) thereof and after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely:—

“(2) The provisions of clauses (a), (b), (c), (d) and (h) of sub-section (1) shall apply to a corresponding new bank as they apply to a banking company.”.

60 of 1968.

(5) In the State Agricultural Credit Corporations Act, 1968,—

(a) in section 2, after clause (i), the following clause shall be inserted, namely:—

‘(ii) “corresponding new bank” means a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970;’;

(b) after the words “subsidiary banks” or “subsidiary bank”, as the case may be, occurring in clause (d) of sub-section (3) of section 5, in clause (b) of section 9 and in the proviso to section 18, the words “corresponding new banks” or “corresponding new bank”, as the case may be, shall be inserted.

21. (1) The Banking Companies (Acquisition and Transfer of Undertakings) Ordinance, 1970, is hereby repealed.

Repeal  
and  
savings.

(2) Notwithstanding such repeal and notwithstanding any judgment, decree or order of any court or tribunal,—

(a) any action taken, or purported to have been taken, or anything done, or purported to have been done, between the 19th day of July, 1969, and the 10th day of February, 1970, by any corresponding new bank purported to have been constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Ordinance, 1969, or the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1969, or by any person purporting to act

22 of 1969.

on behalf of such bank and any right, obligation or liability acquired or incurred, between the said dates, by or on behalf of such corresponding new bank shall be deemed to have been taken, done, acquired or incurred under the provisions of this Act by or on behalf of the corresponding new bank constituted thereunder;

(b) any action taken, or purported to have been taken, or anything done, or purported to have been done, between the 10th day of February, 1970, and the appointed day, by an existing bank or by any person acting on behalf of such bank, and any right, obligation or liability acquired or incurred, between the said dates, by or on behalf of such existing bank shall be deemed to have been taken, done, acquired or incurred under the provisions of this Act by or on behalf of the corresponding new bank constituted thereunder;

(c) anything done or any action taken, including any order made, notification issued or directions given under the Banking Companies (Acquisition and Transfer of Undertakings) Ordinance, 1970, shall be deemed to have been done, taken, made, issued or given, as the case may be, under the corresponding provisions of this Act.

(3) Any suit, appeal or other proceeding of whatever nature instituted on or after the 19th day of July, 1969, by or against a corresponding new bank purported to have been constituted by the Banking Companies (Acquisition and Transfer of Undertakings) Ordinance, 1969, or the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1969, shall not abate, be discontinued, or be, in any way, prejudicially affected by reason of the expiry of the said Ordinance or the invalidation of the said Act, as the case may be, but such suit, appeal or other proceeding may be continued, prosecuted and enforced by or against the corresponding new bank as if such suit, appeal or other proceeding had been instituted by or against the corresponding new bank constituted under this Act.

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THE FIRST SCHEDULE  
(See sections 2, 3 and 4)

Existing bank	Corresponding new bank
Column 1	Column 2
The Central Bank of India Limited	Central Bank of India.
The Bank of India Limited	Bank of India.
The Punjab National Bank Limited	Punjab National Bank.
The Bank of Baroda Limited	Bank of Baroda.
The United Commercial Bank Limited	United Commercial Bank.
Canara Bank Limited	Canara Bank.
United Bank of India Limited	United Bank of India.
Dena Bank Limited	Dena Bank.
Syndicate Bank Limited	Syndicate Bank.
The Union Bank of India Limited	Union Bank of India.
Allahabad Bank Limited	Allahabad Bank.
The Indian Bank Limited	Indian Bank.
The Bank of Maharashtra Limited	Bank of Maharashtra.
The Indian Overseas Bank Limited	Indian Overseas Bank.

**THE SECOND SCHEDULE**  
(See section 6)

Name of existing bank	Amount of compensation
	(in lakhs of rupees)
The Central Bank of India Limited	.. 1750
The Bank of India Limited	.. 1470
The Punjab National Bank Limited	.. 1020
The Bank of Baroda Limited	.. 840
The United Commercial Bank Limited	.. 830
Canara Bank Limited	.. 360
United Bank of India Limited	.. 420
Dena Bank Limited	.. 360
Syndicate Bank Limited	.. 360
The Union Bank of India Limited	.. 310
Allahabad Bank Limited	.. 310
The Indian Bank Limited	.. 230
The Bank of Maharashtra Limited	.. 230
The Indian Overseas Bank Limited	.. 250

**THE THIRD SCHEDULE**

[See sub-sections (2) and (3) of section 13]

**DECLARATION OF FIDELITY AND SECRECY**

I, \_\_\_\_\_ do hereby declare that I will faithfully, truly and to the best of my skill and ability execute and perform the duties required of me as Custodian, Director, member of Local Board, member of Local Committee, auditor, adviser, officer or other employee (as the case may be) of the\* and which properly relate to the office or position in the said\* held by me.

I further declare that I will not communicate or allow to be communicated to any person not legally entitled thereto any information relating to the affairs of the\*

or to the affairs of any person having any dealing with the\* ; nor will I allow any such person to inspect or have access to any books or documents belonging to or in the possession of the\* and relating to the business of the\* or to the business of any person having any dealing with the\*

\*Name of corresponding new bank to be filled in.

## STATEMENT OF OBJECTS AND REASONS

The Supreme Court by a majority judgment, delivered on the 10th February, 1970, declared the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1969, void. The effect of the judgment is that the undertakings of the 14 major Indian scheduled banks, which were acquired by the Central Government under the authority of the Act, reverted to the said banks. With a view to resuming control over these banks, the President promulgated, on the 14th February, 1970, the Banking Companies (Acquisition and Transfer of Undertakings) Ordinance, 1970. The provisions of the earlier Act, which were struck down by the majority judgment of the Supreme Court, have been duly amended or deleted while promulgating the said Ordinance. The Ordinance provides for the acquisition of the undertakings of the said banks with effect from the 19th July, 1969, i.e., the date on which these undertakings were initially acquired, having regard to their size, resources, coverage and organisation. As contemplated by Article 31(2) of the Constitution, the Ordinance now fixes the amount of compensation payable to each of the said Banks. The Bill seeks to replace the said Ordinance.

The provisions of the Bill are explained in detail in the Notes on Clauses.

NEW DELHI;

*The 23rd February, 1970*

INDIRA GANDHI.

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PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE CONSTITUTION OF INDIA

[Copy of letter No. 1(1)-NB/70, dated the 23rd February, 1970 from Shrimati Indira Gandhi, Prime Minister, to the Secretary, Lok Sabha.]

The President of India having been informed of the subject matter of the proposed Banking Companies (Acquisition and Transfer of Undertakings) Bill, 1970, recommends the introduction of the Bill in the Lok Sabha under clause (1) of Article 117 and its consideration under clause (3) of Article 117 of the Constitution.

*Notes on clauses*

*Clause 2* seeks to insert definitions of certain new expressions in the Act. The proposed definitions are self-explanatory.

*Clause 3* seeks to provide for the constitution of 14 new banks the share capital of each bank being allotted wholly to the Central Government. Each new bank will be a body corporate and will carry on the business of banking.

*Clause 4* seeks to provide for the transfer and vesting of the undertakings of the 14 existing banks, as mentioned in the First Schedule, in the corresponding new banks.

*Clause 5* clarifies the general effect of vesting so that the business of each bank may continue uninterrupted.

*Clause 6* seeks to provide for the payment of compensation to each existing bank for the acquisition of its undertaking. The amount will be payable in cash or in Central Government securities according to the option of the recipient company. If the company opts for cash, it will be paid in three annual instalments, each instalment carrying interest at 4 per cent from July 19, 1969. If the company opts for compensation in the form of securities, it can choose either a 10-year security carrying interest at  $4\frac{1}{2}$  per cent per annum or a 30-year security carrying interest at  $5\frac{1}{2}$  per cent, in either case from July 19, 1969. The company can also opt for payment partly in cash and partly in securities in such proportion or proportions as it may desire. If no option is exercised, it will be deemed to have opted for the payment of compensation in the form of 10-year securities carrying  $4\frac{1}{2}$  per cent interest.

Provision has also been made for the payment of interim compensation up to 75 per cent of the paid-up capital of each bank.

*Clause 7* provides for the appointment of the Chairman of an existing bank as the Custodian of the corresponding new bank until the constitution of the first Board of Directors. The first Board of Directors will consist of not more than 7 persons and will continue till the Board of Directors is constituted in terms of a scheme framed under section 9 of the Act.

*Clause 8* seeks to provide for the issue of directions by the Central Government in regard to matters of policy involving public interest.

*Clause 9* seeks to empower the Central Government to make a scheme providing for the constitution of the Boards of Directors of the nationalised banks, changes in their capital structure in case such changes, reconstitution or amalgamation, are considered desirable, and all other matters which are necessary for carrying out the provisions of the Act.

*Clause 10* contains provision regarding the annual closing of accounts and audit of each bank.

*Clause 11* seeks to declare every corresponding new bank as an Indian company for the purpose of taxation and also a company in which the public are substantially interested.

*Clause 12* provides for the vacation of office of the Chairman of each bank and for the transfer of the services of the officers and employees of each existing bank to the corresponding new bank.

*Clause 13* seeks to place an obligation on the directors and other persons connected with each nationalised bank as to the fidelity and secrecy relating to the accounts of individual constituents of every bank.

*Clause 14* seeks to make every Custodian of a new bank a public servant for the purpose of Chapter IX of the Indian Penal Code.

*Clause 15* seeks to provide for protection for anything done in good faith by the Custodian or Board of Directors for any action irrespective of any defect in their appointment.

*Clause 16* seeks to provide indemnity to every bank and office of the Central Government or the Reserve Bank against all losses which are not wilfully caused.

*Clause 17* provides that any reference to an existing bank in any law, contract or instrument shall in relation to the undertaking transferred by section 4 be deemed to be a reference to the new bank.

*Clause 18* provides for the regulation making power of the Central Government in regard to certain specified matters relating to the business of each nationalised bank.

*Clause 19* provides for consequential amendments to certain existing enactments.

*Clause 20* provides for the repeal of the Banking Companies (Acquisition and Transfer of Undertakings) Ordinance, 1970, which is being replaced by the proposed new Act. All action taken before the commencement of the new Act will be deemed to have been taken under that Act.

## FINANCIAL MEMORANDUM

Clauses 4 and 6 provide for the acquisition of the undertakings of the 14 banking companies and the payment of specified amounts as compensation in respect of these companies. The aggregate amount of compensation will be Rs. 87.40 crores as shown in the Second Schedule to the Bill and will be payable in cash or in Central Government securities, or partly in cash and partly in Government securities, according to the option of each recipient company. If a recipient company opts for payment in cash only, payment will be made in three equal annual instalments, each instalment carrying interest at 4 per cent per annum from July 19, 1969. If a recipient company opts to take the compensation either wholly or partly in the form of securities, it can choose either a 10-year security repayable at par, carrying interest at 4½ per cent per annum or a 30-year security repayable at par, carrying interest at 5½ per cent per annum, in either case from July 19, 1969. A similar option regarding payment in cash or security or both is available also in respect of interim compensation for which provision has been made for payment up to 75 per cent of the paid up capital if the company so opts.

In view of the availability of option, it is not possible to indicate the amount of compensation which will be actually payable in each financial year. If all the 14 companies opt for payment entirely in cash, the principal amount which will be paid in each of the three years beginning from 1970-71 will be about Rs. 29.13 crores. In that event the interest payable will be about Rs. 4.32 crores in 1970-71, Rs. 2.33 crores in 1971-72, and Rs. 1.17 crores in 1972-73. This will be a recurring expenditure for a period of three years. Thereafter, there will be no recurring or non-recurring expenditure. It is possible that some companies may choose to receive compensation in Government securities and some companies partly in cash and partly in Government securities. There is thus a possibility the interest payable on account of compensation in cash may be reduced while the interest payable on securities may increase depending on the proportion and nature of securities which may be issued. It is therefore not practicable at this stage to calculate the amount of recurring expenditure on account of interest which will be paid each year.

### MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 9 of the Bill empowers the Central Government to make a scheme in consultation with the Reserve Bank for carrying out the provisions of the Act. The scheme will, *inter alia*, provide for matters relating to the capital structure of the corresponding new banks, the constitution of the Board of Directors and such incidental or consequential matters as may be necessary for giving effect to the provisions of the Act. Every such scheme shall be laid before both Houses of Parliament and be subject to modification and annulment by Parliament.

Clause 19 of the Bill empowers the Board of Directors of the corresponding new bank to frame regulations, in consultation with the Reserve Bank and with the previous sanction of the Central Government, for the transaction of its business. Such regulations shall not be inconsistent with the provisions of the Act.

The matters in respect of which any scheme or regulations may be made are matters of detail or of procedure within the scope of the general provisions and guiding principles in the Act and it is not possible to provide for them in the Act. The delegation of legislative power is, therefore, of a normal character.

## BILL No. 3 of 1970

*A Bill further to amend the Constitution of India.*

BE it enacted by Parliament in the Twenty-first Year of the Republic of India as follows:—

1. (1) This Act may be called the Constitution (Amendment) Act, 1970.

Short title and commencement.

(2) It shall come into force at once.

2. In article 85 of the Constitution, for clause (2), the following clause shall be substituted, namely:—

Amendment of article 85.

“(2) The President may from time to time—

(a) prorogue the Houses or either House;

(b) dissolve the House of the People when—

(i) the House by a resolution consents to such dissolution; or

(ii) the House either refuses to assent to a demand for grant or rejects an Appropriation Bill, made or introduced, with the aid and advice of three successive Councils of Ministers.”

**STATEMENT OF OBJECTS AND REASONS**

The unrestricted power given to the President for dissolving the House of the People is to be exercised with the aid and advice of the Council of Ministers. A Council of Ministers apprehending to lose the confidence of the House may advise the President to dissolve the House of the People although it may be possible to constitute another Council of Ministers having the confidence of the House. This power of the President is likely to be used by a Council of Ministers to further their own ends and not for the benefit of the people. This Bill is intended to check such use of the power.

NEW DELHI;  
*The 21st November, 1969.*

SRINIBAS MISHRA.

## BILL No. 7 of 1970

*A Bill to provide for the right to trace one's lineage from the side of one's mother.*

BE it enacted by Parliament in the Twenty-first Year of the Republic of India as follows:—

1. (1) This Act may be called the Mother's Lineage Act, 1970.	Short title and commencement.
(2) It shall come into force at once.	
2. Notwithstanding anything contained in any law for the time being in force throughout the territory of India, it shall be unlawful for any Government, authority or person, to compel any other person who is a citizen of India to fill and sign any form, statutory or non-statutory, official or non-official, which provides for establishing a person's lineage only through his or her father or to prohibit him or her to write his or her mother's name instead.	Establishment of lineage.
3. After the coming into force of this Act, it shall be lawful for any citizen of India to refuse to fill a form requiring him or her to give his or her father's name or her husband's name and which does not give him or her the option to give the name of his or her mother.	Right to refuse to fill forms in certain cases.
4. It shall be a grave misdemeanour under this Act for any person to describe any citizen of India as "bastard".	Misdemeanour under the Act.

## Penalties.

5. (1) Whosoever compels any citizen of India to act in a manner contrary to the provisions of sections 2 and 3 of this Act or discriminates against any citizen on the ground of the citizen's refusal to act in a manner which is against the provisions of these sections, shall be punishable with rigorous imprisonment for a term which may extend to one month and fine of five hundred rupees or one month's imprisonment in lieu thereof.

(2) The misdemeanour mentioned in section 4 shall be punishable with rigorous imprisonment for a term which may extend to one year and a fine of five hundred rupees or one month's imprisonment in lieu thereof.

## STATEMENT OF OBJECTS AND REASONS

The seven revolutions that are currently moulding the destiny of mankind are inter-related revolutions. Important among these revolutions is the transformation of the man-woman relationship and the establishment of equality between the two sexes. In order to make the man-woman equality a reality the human mind will have to liberate itself from many obsolete concepts which are associated with the possessive, property-conscious, male-dominated society.

The concept of "illegitimacy" and the practice of tracing one's lineage solely from the father's side is one such reactionary and fossilized concept. The reactionary attitudes which form the unspelt basis of the present official and non-official practices and decisions of the courts will have to be discarded completely if the egalitarian principles of the Constitution are to inform and elevate our social life.

In India there has been going on for the last three thousand years a conflict between the liberal attitude on the one hand and the orthodox standpoint on the other. The story of the sage Jabali is well known. This "illegitimate" son of his mother when questioned about the identity of his father pleaded ignorance, went to his mother and when informed that she could not say definitely who his father was, came back and gave a truthful account of what his mother had told him. For his fearless and truthful utterance the people of ancient India not only honoured him but canonised him as a sage. The present reactionary attitudes, therefore, are contrary to the liberal spirit to which the legend of Jabali bears witness.

The life of thousands of people and their mothers is being made miserable because of the fossilized attitudes that prevail in our society today. This Bill seeks to remove the stigma of "illegitimacy" from those thousands of unfortunate people, "illegitimate" sons and daughters of their mothers, who are being persecuted by society for no fault of theirs.

NEW DELHI;

MADHU LIMAYE.

*The 25th November, 1969.*

**BILL No. 6 OF 1970**

*A Bill further to amend the Citizenship Act, 1955.*

Be it enacted by Parliament in the Twenty-first Year of the Republic of India as follows:—

Short title  
and com-  
mence-  
ment.

1. (a) This Act may be called the Citizenship (Amendment) Act, 1970.

(b) It shall come into force at once.

Amend-  
ment of  
section  
9.

2. In section 9 of the Citizenship Act, 1955 (hereinafter referred to as the principal Act), in sub-section 2, for the words "such authority", the <sup>57 of 1955.</sup> words "the Central Government" shall be substituted.

Amend-  
ment of  
section 10.

3. Sub-section (4), (5) and (6) of section 10 of the principal Act shall be omitted.

4. After section 10 of the principal Act, the following new section shall be inserted, namely:—

**"10A. (A) Before making an order under section 9 or section 10, the Central Government shall give the person against whom an order under section 9 or section 10 is proposed to be made, notice in writing informing him of the grounds on which it is proposed to be made and shall refer his case to a Committee of Inquiry to be appointed by the Central Government.**

**(2) The Committee of Inquiry shall consist of a Chairman (being a person who has at least for ten years held a judicial office) and two other members.**

**(3) The Committee of Inquiry shall, on such reference, hold such inquiry in such manner as may be prescribed and submit its report to the Central Government which shall ordinarily be guided by such report in making an order under section 9 or section 10."**

Insertion  
of new  
section 10.  
Reference  
of cases  
under  
sections 9  
and 10 to  
a Commit-  
tee of  
Inquiry.

## STATEMENT OF OBJECTS AND REASONS

Sections 9 and 10 of the Citizenship Act, 1955 operate in the same field, namely the loss or cessor of Indian citizenship. Persons falling within the ambit and scope of these two sections form "one class". The nature of their rights affected is identical and, therefore, they ought to be treated on equal footing.

However, a bare perusal of sections 9 and 10 reveals manifest discrimination inasmuch as there are two different kinds of procedure: one summary, skeletal and drastic under section 9 and the other elaborate, comprehensive and with all the incidents of judicial procedure under section 10.

It is also curious that "foreigners" acquiring the Indian citizenship through naturalisation, registration etc. and accused of delinquent acts like acquiring the citizenship through fraud, being disloyal to India, unlawfully trading with the enemy etc. should be given the benefit of notice and elaborate enquiry by the Committee of Inquiry headed by a person who has, for at least 10 years held a judicial office, while "natural-born Indian citizen" against whom the only allegation is that he had acquired the citizenship of a foreign country is dealt with most summarily under section 9.

Further the power under section 10 is to be exercised only by the Central Government, but there is no such built-in safeguard of caution and circumspection under section 9. The power under section 9 in the present state of law is capable of being delegated to the lowest rung of the Governmental hierarchy.

The present Bill seeks to remove these anomalies and discriminatory treatment, and prescribes uniform procedure in conformity with the rules of natural justice before any order adversely affecting the right to Indian citizenship is passed against any person.

NEW DELHI;  
21st November, 1969.

## FINANCIAL MEMORANDUM

Clause 4 of Bill provides for appointment of an Inquiry Committee in cases arising under Sections 9 and 10 of the Act. This will involve additional recurring expenditure to the tune of Rs. 25,000 approximately. No non-recurring expenditure is likely to be involved from the Consolidated Fund of India.

## BILL No. 4 OF 1970

*A Bill further to amend the Constitution of India.*

BE it enacted by Parliament in the Twenty-first Year of the Republic of India as follows:—

1. This Act may be called the Constitution (Amendment) Act, 1970. Short title.
2. In the Eighth Schedule to the Constitution,—
  - (a) entries 8 to 15 shall be re-numbered as entries 9 to 16 respectively, and Amend-  
ment of  
Eighth  
Schedule.
  - (b) before entry "9" as so re-numbered, the entry "8. Manipuri" shall be inserted.

**STATEMENT OF OBJECTS AND REASONS**

Manipuri is undoubtedly one of the important languages of India. It is spoken by lakhs of people in the eastern region of the country. It has its own script and rich literature. By including Manipuri in the Eighth Schedule to the Constitution, it will only be doing belated justice to the large number of Manipuri-speaking people in India and abroad. Hence the amendment of the Eighth Schedule to the Constitution.

NEW DELHI;

M. MEGHACHANDRA.

*The 18th December, 1969.*

## BILL No. 9 OF 1970

*A bill further to amend the Constitution of India.*

Be it enacted by Parliament in the Twenty-first Year of the Republic of India as follows:—

Short title.

1. This Act may be called the Constitution (Amendment) Act, 1970.

Substitution of Article 168.

2. For article 168 of the Constitution, the following article shall be substituted, namely:—

Constitution of Legislatures in States.

“168. For every State there shall be a Legislature which shall consist of the Governor and a Legislative Assembly.”

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3. Article 169 of the Constitution shall be omitted.

Omission  
of Article  
169.

4. Article 171 of the Constitution shall be omitted.

Omission  
of Article  
171.

5. Clause (2) of article 172 of the Constitution shall be omitted.

Amend-  
ment of  
Article  
172.

## STATEMENT OF OBJECTS AND REASONS

The continuance of Legislative Councils in the States has become an anachronism. Recently steps have been taken to abolish these Councils in certain States and there is growing and widespread feeling and demand in many States to do away with the Upper House of the State Legislatures. Piecemeal abolition of Legislative Councils in one State after another after going through the cumbersome process has become unnecessarily tiresome. Hence the need for legislation of this kind to secure a uniform one-House Legislature in all States throughout the country.

Hence the Bill.

BHOGENDRA JHA.

NEW DELHI;

*The 20th December, 1969.*

## BILL NO. 15 OF 1970

*A Bill to regulate the procedure for prohibiting Judges of the Supreme Court or of a High Court from hearing and deciding the matter in which they are biased.*

Be it enacted by Parliament in the Twenty-first year of the Republic of India as follows:—

1. (1) This Act may be called the Judges (Prohibition on Hearing in certain cases) Act, 1970. Short title and commen-  
tary.
- (2) It shall come into force at once or on such date retrospectively as the Central Government may, by notification in the Official Gazette, appoint.
2. (1) In this Act, unless the context otherwise requires,— Defini-  
tions.
  - (a) "decision" means finding, order or judgement;

- (b) "High Court" includes a Judicial Commissioner's Court;
- (c) "Judge" means a Judge of the Supreme Court or of a High Court and includes the Chief Justice of India and the Chief Justice of a High Court;
- (d) "matter" means all proceedings in which a judicial decision has to be given;
- (e) "person" includes all those who can be made parties in a litigation;
- (f) "perverse" means that no reasonable person, duly instructed and trained in legal procedure, could possibly reach that conclusion, and includes the violation of rulings that under the Constitution are binding on the Judge concerned and have not been followed without reasons being given for the same;
- (g) "previous" means before the start of the arguments which actually end in a decision of the matter;
- (h) "Superior Authority" means the Chief Justice or the senior-most Judge of the Court to which the Judge concerned belongs; and in case the Judge concerned is himself the Chief Justice or the senior-most Judge, then in the case of a Judicial Commissioner's Court or a High Court, it means the Supreme Court, and in the case of the Supreme Court it means the President of India.

(2) Words and phrases not defined in this Act shall have the same meaning as in the Judges (Inquiry) Act, 1968.

51 of 1968.

Judge  
having  
bias not  
to hear  
or de-  
cide a  
matter.

3. No Judge shall hear or decide a matter in which he has or had any previous bias for or against a party.

Presump-  
tion of  
bias.

4. (1) Bias shall be presumed to exist whenever there is any circumstance which can give a reasonable apprehension to any party that the Judge is not absolutely free from any prejudice, pre-judgment or influence in the matter.

(2) In particular, a Judge shall be presumed to have a bias, if—

- (a) he has or had any interest, pecuniary, professional or otherwise in the matter;
- (b) he knows any of the persons who are parties in the matter on a personal level, or has served under any such person, or has figured as a party, counsel or *pairokar* in any legal proceeding in which any such person was also a party;
- (c) he has dealt with that matter in any other capacity; or
- (d) he has formed or expressed any opinion, final or otherwise, in the matter.

5. A Judge who has heard arguments in a matter but before the arguments have ended, the matter has ceased to be treated as part-heard before him, shall be presumed to have formed or expressed an opinion about the matter. If any party expresses a desire in writing that the Judge may not hear the matter when it is heard again as a fresh matter, the Judge shall not hear or decide it. If no party expresses such a desire, the judge may hear and decide it.

Judge forming an opinion about a part-heard matter not to hear it again as a fresh matter.

6. (1) Whenever any party to a matter has reason to think that the matter should not be heard and decided by a Judge due to previous bias, he may write a letter to the Registrar, before the hearing of the matter begins, explaining the circumstances. The Registrar shall show that letter to the Judge concerned. If the Judge agrees with the contents of the letter, or even without agreeing with the contents, agrees that the matter be not listed before him, the Registrar shall make a note on the file to the effect that the matter shall not be listed before that Judge.

Procedure when previous bias is believed to exist by a party.

(2) If the Judge does not agree, a copy of that letter shall be served on all other parties. If no party files an objection within 15 days of such service, the Registrar shall make the aforesaid note.

(3) If any party files an objection within the aforesaid time, copy of the objection shall be served on all other parties and they may file their replies. If irreconcilable differences still remain in the position taken by the complaining party and that taken by other parties, the Superior Authority shall hear and decide the question whether that Judge can be said to have any previous bias in the matter.

7. (1) Except in cases covered by section 5, whenever any Judge, before whom a matter is listed for hearing, has the slightest feeling that there is any circumstance which may be thought by any party to create previous bias in him, it shall be his duty *suo moto* either to write to the Registrar to list the matter before some other Judge, or to prepare a note explaining those circumstances. Such a note shall be served on the party who might think that the circumstances create previous bias. That party may then proceed as in sub-section (1) of section 6 within 15 days of the service of the note on him. If he does not so proceed the Judge may hear and decide the matter.

Procedure when the Judge feels the existence of a circumstance which may be thought to create previous bias in him or fails to take action under this Act.

(2) If a Judge fails to take action under sub-section (1), or contravenes other provisions of this Act, or makes observations or gives a decision which is perverse, his action or failure to take action shall amount to misbehaviour within the meaning of the Judges (Inquiry) Act, 1968. In any inquiry under that Act it shall be a good proof of previous bias that the Judge in fact made observations during the hearing or in the decision which can be called perverse. The Committee conducting the inquiry shall have the power, whether it holds the Judge guilty or not, to cancel such a hearing or decision, and if it does so, that matter shall be heard again afresh in accordance with section 8;

Provided that where such a decision was open to appeal the decision shall not be cancelled unless the party aggrieved by that decision applied for leave to appeal within time but was refused such leave.

(3) The Judge shall remain on leave with full pay for the period of the inquiry i.e. from the date when the motion is admitted in either House of Parliament till the date when the proceedings are dropped or the Judge is removed.

Procedure when Superior Authority decides the existence of previous bias.

8. Whenever the Superior Authority decides under sub-section (3) of section 6 that the Judge can be said to have a previous bias, it shall hear and decide the matter itself. If some other Judge or Judges have to be associated with that Superior Authority, they shall be, so far as possible, senior to the Judge concerned.

Procedure when the Superior Authority is the President of India.

9. Notwithstanding anything contained in this Act, in case the Superior Authority is the President of India, it shall not be necessary for him to give a hearing in the matter. Unless in his opinion the complaint regarding possibility of previous bias in the Chief Justice of India is absolutely frivolous, he shall order the proceedings to be stayed till the retirement of that Chief Justice of India, and the matter shall be heard only thereafter. All the parties, however, can at any time after such stay agree in writing to have the matter heard and decided by any other Judge or Judges.

Decision in contravention of the provisions of the Act not to be valid.

10. No decision in contravention of the provisions of this Act shall be valid.

Procedure when a party wishes to challenge the validity of a decision given before the enactment of this Act on the ground of previous bias.

11. (1) In case any party wishes to challenge any decision given before the enactment of this Act on the ground that it is invalid due to previous bias, the procedure laid down in the succeeding sub-sections shall be followed.

(2) The party shall write a letter to the Registrar within six months of the enactment of this Act explaining the circumstances. In case in the opinion of the Registrar the matter is simple, and the impugned decision is clearly invalid under this Act, he shall inform all other parties of this position and shall proceed to get the matter heard and decided afresh as if it fell under section 7.

(3) If the Registrar be of the opinion that the decision does not become clearly invalid under this Act, or if the parties file objections within 15 days of the service on them of the Registrar's note, the Registrar shall refer the matter to the Superior Authority as in sub-section (3) of section 6 after taking replies to the objections, if any.

(4) No decision given before the enactment of this Act shall be challenged unless at some stage before the start of the actual arguments

which ended in that decision, a writing had been delivered to the Registrar, to the Judge concerned or to the Superior Authority which writing showed a desire, directly or indirectly, that the matter be not heard by a Judge who ultimately was a party to the decision. If the writing had been delivered its later rejection or withdrawal shall be immaterial. The writing may have been signed by the party or by some person or persons who can be seen from the writing itself to have been acting in the interest of that party. If such writing had been delivered the requirements of section 5 shall be deemed to have been complied with.

**12. (1)** Whenever all parties in a matter desire in writing to the Registrar that the matter to be heard, or not be heard, by any particular Judge or Judges, the matter shall be heard, or not heard, as the case may be, by that particular Judge or Judges.

**(2)** If due to the working of this section it is found that there are some Judges who do not have enough court work to do due to the unwillingness of the parties to have their matters heard and decided by them it shall be presumed for the purposes of the Judges (Inquiry) Act, 1968, that they are guilty of misbehaviour in court.

51 of 1968.

Procedure  
when all  
parties  
desire  
transfer  
of case  
from a  
Judge  
or Judges  
and  
applica-  
bility of  
Judges  
(Inquiry)  
Act, 1968  
to such  
Judges  
in cer-  
tain  
cases.

### STATEMENT OF OBJECTS AND REASONS

It has been an unwritten rule of conduct for the Judges that whenever the slightest allegation of bias, personal interest or pre-judgement is made against a Judge regarding a particular matter fixed for hearing before him, the Judge unhesitatingly orders the matter to be taken out of his list and to be put up before some other Judge. This rule of conduct is based on the well known dictum that "justice must not only be done but it must, manifestly and undoubtedly, appear to be done". As was observed by the Supreme Court in *Manak Lal Vs. Dr. Prem Chand* (AIR 1957 S.C. 425), "Test of bias is not whether in fact a bias has effected the judgment. The test always is and must be whether a litigant could reasonably apprehend bias."

Again in the *Andhra Pradesh State Road Transport Corporation Vs. Satya Narayana Transport (P) Ltd.* (AIR 1965 S.C. 1303), the Supreme Court observed:

"It is an elementary rule of natural justice that a person who tries a cause should be able to deal with the matter before him objectively, fairly and impartially..... No one can act in a judicial capacity if his previous conduct gives ground for believing that he cannot act with an open mind."

For sometime, past however, instances have been coming to notice in which some particular Judge against whom such allegations are made persistently refuses to give up the particular case and continues to hear and decide it. Obviously in such cases grave injustice results to the complaining party. He cannot possibly have the feeling that fair justice has been done to him. Such persistence on the part of the Judge undermines the confidence of the public in the judicial system.

During the debate on the Judges (Inquiry) Bill, 1968 several Hon'ble Members of Parliament of all parties made pointed references to instances where biased Judges had continued to decide cases and a great and understandable feeling persists that this was not fair. The case of Blitz was particularly cited by several members, where a Judge sat to decide the matter even though he had thrice previously appeared as counsel against Blitz.

51 of 1968

As the law at present is, if a particular Judge refuses to remove a case from his file even after clear and admitted allegations, no other authority has the power to order the case to be taken out of the file of that Judge. Such a power does exist in the case of the District courts (*vide* section 24 of the Code of Civil Procedure, 1908), but no such provision exists for the Judges of the High Courts or of the Supreme Court.

5 of 1908.

It is, therefore, necessary to make such a provision. Moreover, a codification of the law on the subject will clarify to both the Judges and the litigants as to what kinds of bias, personal interest, pre-judgment etc. shall be presumed to disqualify a Judge from hearing a case. It will be fair both to the Judges and to the litigants, and will enhance public confidence in fair justice.

Hence the Bill.

NEW DELHI;

A. S. SAIGAL.

*The 22nd December, 1969.*

## BILL NO. 14 OF 1970

*A Bill to provide for the licensing of certain flying and to repeal relevant sections of the Air Corporations Act, 1953.*

Be it enacted by Parliament in the Twenty-first Year of the Republic of India as follows:—

Short title,  
extent  
and com-  
mence-  
ment.

1. (1) This Act may be called the Civil Aviation (Licensing) Act, 1970

(2) It extends to the whole of India including the State of Jammu and Kashmir.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions in this Act.

Defini-  
tions.

2. In this Act, unless the context otherwise requires,—

(a) "aerodrome licence" means a licence granted in respect of an aerodrome;

(b) "Air Operator's Certificate" has the meaning assigned by paragraph (a) of sub-section (2) of section 3;

(c) "Air Transport Service" means the carriage of passengers or of mails or other cargo by air for reward;

(d) "the Board" means the Air Transport Licensing Board established in pursuance of sub-section (1) of section 3 of this Act;

(e) "the Central Government" means the Government of India;

(f) "flight" means a journey by air beginning when aircraft takes off and ending when the aircraft next alights thereafter;

(g) "the Minister" means the Minister of Tourism and Civil Aviation;

(h) "operator", in relation to an aircraft, means a person for the time being having the business management of that aircraft, and cognate expressions shall be construed accordingly;

(i) "prescribed" means prescribed by the Central Government by regulations under this Act;

(j) "reward", in relation to any aircraft, includes any form of consideration received or to be received wholly or partly in respect of that flight, irrespective of the person by or to whom the consideration has been or is to be given;

(k) "tariff" in relation to any air transport service means the fares or freight rates (including any charges for the carriage of mails) to be charged and any conditions upon which those fares or freight rates depend.

3. (1) There shall be established in accordance with the provisions of the Schedule an Air Transport Licensing Board (in this Act referred to as the Board).

(2) No aircraft shall be used on any flight for reward or in connection with any trade or business—

(a) unless the operator of the aircraft is the holder of an 'Air Operator's Certificate' being a certificate of his competence to secure that aircraft operated by him on flights are operated safely; or

(b) subject to the provisions of sub-section (3) and otherwise than in accordance with the terms of an 'Air Service Licence' granted to the operator of the aircraft by the Board under section (4) being a licence authorising the holder thereof to operate aircraft on flights:

Provided that the provisions of this sub-section shall not apply to any flight made—

(a) solely for the purpose of carrying passengers on a flight beginning and ending at the same place; and

(b) solely for one or more of the following purposes, that is to say—

(i) the provisions of ambulance or rescue facilities by air;

(ii) the carriage of not more than seven persons (including the crew of the aircraft) together with the baggage, if any, in a case where the aircraft is not equipped to carry more than that number of persons;

(iii) the carriage of any one or more of the following, that is to say the operator of the aircraft, any bona fide servant of his

Establishment of licensing authority and restriction of unlicensed flying.

and any baggage or other property of the operator or any such servant;

(iv) the training or testing of persons in the performance of duties in the aircraft;

(v) the testing or demonstrating of the aircraft or of any apparatus, whether or not that apparatus is carried in the aircraft;

(vi) the dropping or projecting of material in the interests of agriculture, horticulture, forestry or public health;

(vii) the taking of photographs from the air; or

(c) solely for the purpose of carrying cargo consigned by one person in the exercise of an exclusive right to use the capacity of the aircraft on that flight not being a person who, except for the purpose of delivering the whole of that cargo to one or more purchasers thereof from the consignor, has contracted with other persons to carry that cargo or to cause it to be carried; or

(d) solely for the carriage of passengers with or without their baggage in a case where none of the passengers is carried on such terms as may be prescribed as being carried at a separate fare;

and the Central Government may, by notification in the Official Gazette, exempt from the requirements of clause (b) any other particular flight or series of flights.

(3) This section shall apply to—

(a) any flight in any part of the world by any aircraft registered in India; and

(b) any flight beginning or ending in India by any aircraft registered in such other country or territory, if any, as may be prescribed.

Air  
Service  
Licences.

4. (1) Any application to the Board for the grant of an air service licence shall—

(a) contain particulars of any air transport service proposed to be provided under the licence, including the places between which, and (where appropriate) the frequency with which, the service is to be provided.

(b) specify the nature of any other purpose for which the applicant desires that aircraft operated by him may be used under the licence for reward or in connection with a trade or business;

and subject to the provisions of this section and of any relevant regulations under section 7, the Board may, at their discretion, after consultation with such persons, if any, as may be prescribed, either reject the application or grant the applicant an air service licence for all or any of the following purposes—

(i) the provision of any air transport service proposed in the application which may be so specified,

(ii) any other purpose so proposed which may be so specified, subject in either case to such conditions, if any, of the prescribed descriptions as may be so specified.

(2) In exercise of their functions under this section the Board shall consider in particular—

(a) whether they are satisfied that having regard in particular to his experience and financial resources and, subject to sub-section (4), to his ability to provide satisfactory equipment, organisation and staffing arrangements, and having regard also to any contravention in respect of aircraft operated by him, the applicant is competent and a fit and proper person, to operate aircraft for the purposes of which he seeks an air service licence;

(b) the provision made or proposed to be made against any liability in respect of loss or damage to persons or property which may be incurred in connection with aircraft operated by the applicant;

(c) any unfair advantage of the applicant over other operators by reason of the terms and conditions of employment of his servants;

(d) the existing or potential need or demand for any air transport service proposed;

(e) in the case of any air transport service proposed the adequacy of any similar service authorised by any air service licence already granted and the tariff, if any, in respect of that similar service;

(f) the extent to which any transport service proposed would be likely to result in wasteful duplication of, or in material diversion of traffic from any air transport service licence already granted;

(g) any capital or other expenditure reasonably incurred or any financial, commitment or commercial agreement reasonably entered into in connection with the operation of aircraft on air transport services by any person (including the applicant) who is the holder of any air service licence already granted;

(h) any objections or representations made in accordance with any relevant regulations under section 7.

(3) The Central Government and the Board shall, from time to time, consider together the relations with other countries or territories affecting the exercise of the Board's functions; and if in the case of any application for an air service licence the Central Government so direct, in writing, on the grounds that any air transport service proposed in the application would in their opinion involve the negotiations with the Government of some other country or territory of right which it would be inexpedient for the time being to seek the Board shall forthwith reject that application so far as it relates to that service.

(4) For the purpose of clause (a) of sub-section (2) the Board shall not consider the matters in respect of which an air operator's certificate is required, that is to say, the competence of the applicant to secure that aircraft operated by him will be operated safely.

(5) Every air service licence authorising air transport service shall include a provision with respect to the tariff to be charged in respect of that service being—

(a) in the case of a service between terminal points one of which is in India and the other of which is in India, a provision setting out that tariff;

(b) in any other case, either provision setting out that tariff or a provision specifying the manner in which the tariff is to be determined:

Provided that the licences shall be of no effect until the said provision has been confirmed by the Central Government either without modification or with such modifications as it may think fit after consultation with such holders of air service licences and other persons as it may consider appropriate:

Provided further that in such cases or classes of cases as may be prescribed, this sub-section shall have effect subject to such exceptions or modifications as may be prescribed in relation to the case or class of cases in question.

(6) The Central Government may, by notification in the Official Gazette, authorise the grant of an air service licence to any person specified in the order being a person who provided air transport services before the date of coming into force of sub-section (2) of section 3 in respect of any air transport so specified in relation to that service and without prejudice to their powers under section 5 the Board shall grant that licence forthwith without any application being made thereof:

Provided that the Central Government shall not make any order under this sub-section after the expiration of the period of three months beginning with the said date.

(7) Except with the consent of the Central Government the Board shall not grant an air service licence to any person who is not either—

(a) a citizen of India or Nepal or such treaty areas giving equal rights of Indian citizenship; or

(b) a body incorporated in India or Nepal or Sikkim or Bhutan, being a body which in the opinion of the Board substantially controlled by persons each of whom is either a citizen of India or a citizen of the said State or an Indian protected person.

(8) If, while an air service licence is in force and not later than the prescribed time before the expiry of the term for which it was granted the holder thereof applies to the Board under section 5, unless the application is withdrawn, the first mentioned licence shall not cease to be in force by reason of the expiry of the said term until the Board have given their determination on the application or, if the application is refused or if any new licence granted differs in its terms from the first mentioned licence, until—

(a) the expiration of the period prescribed under section 7 for appealing against the Board's decision;

(b) if an appeal is duly made within that period the determination or abandonment of the appeal; and

(c) in the case of a successful appeal against a rejection of the application, the date of the coming into force of the new licence.

5. (1) Subject to any relevant regulations under section 7, an application for the revocation, suspension or variation of an air service licence may be made to the Board at any time by any of the persons prescribed in pursuance of clause (b) of sub-section (1) of that section.

(2) If in the case of any person who is the holder of an air service licence the Board are at any time no longer satisfied as mentioned in clause (a) of sub-section (2) of section 4, they shall as may appear to them appropriate in the circumstances, revoke, suspend or vary that licence, whether or not any application or representation has been made to the Board for the purpose.

(3) Without prejudice to the provisions of sub-section (2), if at any time the Board are satisfied, whether or not any application or representation has been made to them for the purpose, that it is right and proper so to do, they may revoke, suspend or vary any air service licence.

(4) Sub-sections (2) to (4) of section 4 shall have effect with the necessary modifications in relation to the Board's function under the sub-sections (2) and (3) as they have effect in relation to their functions under section 4.

(5) If any air service licence is revoked, suspended or varied by the Board otherwise than on the application of the holder of the licence, the revocation, suspension or variation shall not take effect until the expiration of the period prescribed under section 7 for the making of an appeal against the Board's decision nor, if an appeal is duly made during that period, until the determination or abandonment of the appeal.

6. (1) It shall be the duty of the Board to consider any representation from any person relating to facilities in connection with air transport services by means of aircraft registered in India, or with respect to the traffic or other charges in respect of any such service of facilities:

Revocation,  
suspension  
and varia-  
tion of  
licences.

Addi-  
tional  
functions  
of Board.

Provided that the Board shall not be required by this sub-section to consider any representation if in their opinion—

(a) the representation is frivolous or vexatious; or

(b) the matters to which the representation relates have already been sufficiently considered by the Board; or

(c) the matter to which the representation relates are for the time being regulated by an international agreement to which the Indian Government is a party.

(2) When the Board have considered any such representation as aforesaid, they shall report to the Central Government their conclusions, and shall make such recommendations to the Minister in connection with those conclusions as they think expedient:

Provided that this sub-section shall not apply to any representation made in connection with an application for the grant of an air service licence or for the purpose of the Board's functions under section 5.

Regulations.

7. (1) Without prejudice to any other power to make regulations conferred by this Act, the Central Government shall by regulations make provision—

(a) for requiring, except in such circumstances, if any, as may be specified in the regulations, publication of notice of the making or any application for the grant revocation, suspension or variation of an air service licence and for the making of objections or representations with respect to any such application;

(b) as to the persons entitled to be heard by the Board at any meeting to consider the grant, revocation, suspension, or variation of any such licence;

(c) for conferring a right to appeal to the Central Government from any decision of the Board with respect to any air service licence or any application for such a licence upon the holder of or application for the licence and upon such other persons, if any, as may be specified in the regulations and generally as to such appeals including in particular provision as to the time by which any such appeal must be made, the other persons, if any, to be made parties thereto, and the liability of any of the parties in respect of costs or expenses incurred in connection therewith;

(d) for requiring the payment to the Board in connection with air service licences or applications relating thereto of such fees determined in such manner as the regulations may provide.

(2) Without prejudice to the provisions of sub-clause (1), Central Government may by regulations make provision—

(a) as to the form and manner in which any application, objection or representation shall be made to the Board;

(b) with respect to the furnishing by persons making an application, objection or representation to the Board of information or documents relevant thereto;

(c) as to the liability of any of the persons heard by virtue of clause (b) of sub-section (1) at any meeting of the Board in respect of costs or expenses incurred in connection with the hearing;

(d) with respect to the provision by holders of air service licences or air operator's certificate of statistical or other information with respect to their operations to which the licence or certificate relates;

(e) as to the circumstances, if any, in which an air service licence shall or may be transferred or treated as if granted to a person other than the person to whom it was granted;

(f) with respect to surrender or cancellation or variation of air service licences;

(g) generally as to the procedure of the Board;

(h) for the setting up of regional advisory committees for the purpose of advising the Board on matters relating to its functions under this Act with particular regard to the circumstances and requirements of particular areas, and for the payment by the Central Government of travelling or other expenses reasonably incurred by any person as a member of any such committees.

(3) Any power to make regulations conferred by this Act shall include power to make different provision for different circumstances and to make such incidental or supplementary provision as appear to the Central Government necessary or expedient for giving effect to the purposes of this Act.

(4) Any power to make regulations conferred on the Central Government by this Act shall be exercisable by statutory instrument and any such instrument shall be subject to annulment in pursuance of a resolution of Parliament.

**8. (1)** If an aircraft is used on any flight in contravention of sub-section (2) of section 3, the operator of the aircraft and if any other person, whether by negotiating a contract or otherwise made available facilities for travel or the consignment of goods on that flight knowing or having reasonable cause to suspect that the flight would be in contravention of provisions of sub-section (2) that other person also shall be guilty of an offence and be liable—

Enforce-  
ment of  
licensing  
provisions.

(a) on summary conviction to a fine exceeding ten thousand rupees, or to imprisonment for a term not exceeding three months, or to both,

(b) on conviction to a fine of such amount as the court may think fit, or to imprisonment for a term not exceeding two years, or to both.

(2) For the purpose of securing compliance with the requirements of section 3, the Central Government or anyone acting under its authority may require any person who, in India whether by providing an aircraft or negotiating a contract or otherwise, makes available or offers facilities for travel or the consignment of goods upon any journey by air, and any servant or agent of any such person, and any person who is the holder of an aeroplane licence, to provide the Central Government with all such information or documents in his possession or control relating to the journey or proposed journey as may be specified.

Any person, who wilfully fails to comply with any requirements under this sub-section shall be guilty of an offence and be liable on summary conviction to a fine not exceeding two thousand rupees.

(3) If the holder of any air service licence or air operator's certificate fails without reasonable cause to comply with any requirement of any regulation with respect to the provision of information made by virtue of clause (d) of sub-section (2) of section 7, he shall in respect of each such failure be guilty of an offence and liable on summary conviction to a fine not exceeding one thousand rupees.

(4) If any person, in furnishing any information under this Act, furnishes any information which to his knowledge is false in any material

particular or recklessly furnishes any information which is false in any material particular, he shall be guilty of an offence and be liable--

- (a) on summary conviction to a fine not exceeding one thousand rupees, or to imprisonment for a term not exceeding one month or to both;
- (b) on conviction to a fine exceeding ten thousand rupees, or to imprisonment for a term not exceeding two years or to both.

(5) If any person fails without reasonable cause to comply with any requirements duly made of him under this Act to surrender an air service licence for cancellation or variation, he shall be guilty of an offence and be liable on summary conviction to a fine not exceeding five hundred rupees.

(6) Where an offence under this section committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the body corporate or any person who was purporting to act in any such capacity, he, as well as the body corporate shall be guilty of that offence and be liable to be proceeded against and punished accordingly.

In this sub-section, the expression, 'director in relation to a body corporate established by or under any enactment for the purpose of carrying on under national ownership any industry or part of an industry or undertaking, being a body corporate whose affairs are managed by its members, means a member of that body corporate..

(7) Any offence under this section shall, for the purpose of conferring jurisdiction, be deemed to have been committed at any place where the offender may for the time being be.

**9. (1) The Central Government shall provide the Board with such accommodation and equipment as appears to it to be necessary or expedient for the exercise of their functions and shall also provide from among its officers and servants such number of persons to act as officer or servants of the Board as he may from time to time think fit, and any expenditure incurred by the Board with the approval of the Central Government shall be defrayed by the Central Government.**

(2) The Board shall furnish to the Central Government such accounts and other information relating to the discharge of its functions as the Central Government may require and after the end of the year make a report to the Central Government as to the exercise and performance of their functions under this Act in that year, which shall cover any particular matters on which the Central Government has requested them to report and the Central Government shall lay a copy of each such report before each House of Parliament.

**10. The following provisions of the Air Corporations Act, 1953 are hereby repealed, that is to say—**

- (a) sections 18 and 19 and such sections which relate to the reservation of certain air services to the Air India international or the Indian Air Lines Corporation and their associates.
- (b) sections 30 to 35.

Expenses  
of and  
reports to  
Board.

Repeal of  
certain  
provisions  
of the Air  
Corpora-  
tions Act,  
1953.

**11.** (1) The Central Government may by order direct that any of the provisions of this Act shall extend with such exceptions, modifications and adaptations, if any, as may be specified in the order,—

Powers to extend provisions of Act.

(a) to any of the territories protected or administered areas of the Government of India; and

(b) to any such area or territory as may be deemed fit or expedient by the Government of India.

(2) An order of the Central Government by virtue of clause (a) of sub-section (1) may provide for the payment of sums out of moneys provided by Parliament for any purpose for which sums are required to be so paid in consequence of the exercise of the powers conferred by this section.

(3) Any order of Central Government made under this section may be varied or revoked by a subsequent order so made.

## SCHEDULE

(Vide section 3)

## THE AIR TRANSPORT LICENSING BOARD

1. The Board shall consist of not less than six nor more than ten members appointed by the Central Government who shall also appoint two of those members to be Chairman and Deputy Chairman respectively of the Board.

2. Subject to the provisions of this Schedule, the Chairman, the Deputy Chairman and each of the other members of the Board shall hold and vacate his office in accordance with the terms of the instrument appointing them.

3. The Central Government—

(a) shall pay to any member of the Board such remuneration (whether by way of salary or fees) and such allowance as the Central Government may determine; and

(b) in the case of any member of the Board with respect to whom the Central Government may with the said approval determine, shall make such provisions for the payment of a pension to or in respect of that member as the Central Government may so determine;

and the Central Government shall as soon as possible after the establishment of the Board lay before each House of Parliament a statement of the remuneration and allowances that are will be payable under this paragraph to the members of the Board, and if any subsequent determination made by it under this paragraph involves any departure from the term of that statement or if a determination so made provides for the payment of a pension to or in respect of any member of the Board, the Central Government shall, as soon as possible after the determination, lay a statement thereof before each House of Parliament.

4. If the Central Government is satisfied that the Chairman of the Board is temporarily unable to discharge the functions of his office owing to illness or any other cause the Central Government may appoint some other member of the Board to act for the time being in the place of the Chairman or Deputy Chairman, as the case may be.

5. If the Central Government is satisfied that a member of the Board—

(a) has without the permission of the Board been absent from meetings of the Board for a continuous period exceeding six months; or

(b) has become bankrupt or made an arrangement with his creditors; or

(c) has by reason of illness or any other cause become unable or unfit to act as a member of the Board.

the Central Government may, by giving notice in such manner as it thinks fit, declare that person's office as a member of the Board to have become vacant.

6. No person who for the time being has any interest, whether as a shareholder or otherwise in the business of an operator of aircraft or of the holder of an aerodrome licence, shall act as a member of the Board unless he has declared his interest to the Board and to the Central Government and if the Central Government is satisfied that by reason of that interest or of any failure so to declare such an interest it is right and proper so to do, the Central Government may by giving notice in such manner as it thinks fit declare that person's office as a member of the Board to have become vacant.

7. The Board may act notwithstanding a vacancy in the membership thereof, and no act of the Board shall be invalidated by reason of any irregularity in the appointment of any member thereof or by reason of any person irregularly acting as a member thereof.

## STATEMENT OF OBJECTS AND REASONS

The Air Corporations Act, 1953 (No. 27 of 1953) was passed closely following the Civil Aviation Act, 1949, as passed by Parliament in the U.K.

As a result the Air India International and the Indian Airlines Corporation were formed absorbing certain air companies which were then operating in the country.

Certain non-scheduled air operators were, however, left out. Provision was made in the existing Act for scheduled operators who were nationalised to be granted non-scheduled permits to operate as non-scheduled operators, if they desired.

All flying clubs also have non-scheduled permits to operate light aircraft commercially for hire and reward.

In February, 1960, Parliament in the U.K. passed the Civil Aviation (Licensing) Bill to amend certain portions of their Act, and for the provision of both the Acts to be cited together as the Civil Aviation Acts, 1949 and 1960. Their reasons were briefly as follows:—

1. Give independent operators a field of operations.
2. Create a bigger Aviation Industry in these unsettled times and air age.
3. To provide home market for aircraft and parts produced by them.
4. Introduce a measure of healthy competition between the Corporations and the independent operators to improve air services and benefit the public as befitting a welfare State.
5. Create more avenues of employment for technical personnel and aircrews.
6. Create a second line of Air Defence by having ready at hand a well-trained group of technicians and pilots and aircraft, to form a reserve transport command immediately for any emergency.

In India, identical conditions have developed.

Hence this Bill.

NEW DELHI;

*The 17th January, 1970.*

S. C. SAMANTA,

## FINANCIAL MEMORANDUM

Clause 7(2) (h) requires the Central Government to make provision for the setting up of regional advisory committees for the purpose of advising the Board, as also for the payment by the Central Government of travelling or other expenses reasonably incurred by any Member of any such committees.

Clause 9(1) requires the Central Government to provide the Board with accommodation and staff.

The Schedule, which contains provisions with respect to the Board, in paragraph 3, empowers the Central Government to pay to members of the Board such remuneration, allowances and pension as it may determine and to lay a statement in this regard before each House of Parliament.

It is estimated that a non-recurring expenditure of about Rs. 2 lakhs will be involved from the Consolidated Fund of India. An amount of about Rs. 1 lakh will also be required annually to meet the recurring expenditure. But it is expected that the recurring expenditure would be met from the fees payable in respect of licences. Therefore, no additional recurring expenditure will be involved from the Consolidated Fund of India.

## MEMORANDUM REGARDING DELEGATED LEGISLATION

Sub-clause (1) of clause 7 requires the Central Government to make regulations providing for the advertising of applications for licences, the making of objections and representations, the right of appeal to the Central Government against the decisions of the Board and the payment of fees for licences.

Sub-clause (2) of clause 7 empowers the Central Government to make regulations regarding the procedure of the Board and other related matters.

The delegation is of a normal character.

## BILL No. 10 OF 1970

*A Bill to provide for building up an up-to-date and a comprehensive Library for Parliament*

WHEREAS it is necessary, for building up an up-to-date and a comprehensive Library for the Parliament of India, to make arrangements to secure copies of every book, publication, periodical, etc., including maps, illustrations, photographs printed, lithographed, or photographed, in any language, in any part of the Union of India;

BE it enacted by Parliament in the Twenty-first Year of the Republic of India as follows:—

1. (1) This Act may be called the Parliament Library Act, 1970. Short title,
- (2) It extends to the whole of India, except the State of **Jammu and Kashmir**. extent and
- (3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint. commencement.

Definitions.

**2. In this Act, unless the context otherwise requires,—**

(a) "author" includes the writer, composer, compiler, annotator, commentator, or editor of a book, paper, periodical, or publication or a cartoonist, or illustrator, draftsman, painter, and any other person whose work is included in the form of writing, annotation, compilation, editing, drawing, illustration, cartoon, map, or such like material, in a book or published separately;

(b) "book" includes any work in writing, paper, periodical, pamphlet, or publication, printed and published or lithographed, whether offered for sale or otherwise; and every part or division of a book, pamphlet, sheet of letterpress, sheet of music, map, plan, drawing, illustration, cartoon, graph, chart, or table, separately published, but shall not include any second subsequent edition of a book, unless such edition contains additions, annotations, or alterations, either in the letterpress or in the maps, prints, or other engravings, belonging thereto, or is an abridgement of that book;

(c) "composer" means the composer of a musical work or of musical notation, or dance choreograph;

(d) "library" means library attached to the Parliament of India;

(e) "printer" means the proprietor or manager of a printing press, where the copies of a book are multiplied, and who is registered as the keeper of such a printing press;

(f) "publisher" means any person, firm, or company, carrying on business as publisher of books, and declared in any book to be publisher thereof.

*Explanation.*—(a) If in any case there are more than one person contributing to the making of a book in its several parts of writing, commentary, or illustrations, etc., separately, the term "author" shall mean those composing and providing the actual thought and material contained in that book, whether published or otherwise; while those who have supplied the commentary, illustration, or annotation or editing shall be distinguished from the author, by the addition of an appropriate term giving the proper designation and contribution of each such contributor.

(b) Where there is more than one person jointly concerned in writing, or providing the actual thought and material contained in a book, they shall be known as joint authors.

(c) For the purpose of this section the expression "author", "printer", "publisher" and "composer" includes the heirs, assignees or the legal representatives of a deceased author, printer, publisher or composer, respectively.

(d) Where in any case the same person acts as author, printer or publisher, or combines in himself more than one of these capacities, his responsibilities under this Act shall be the same as that of all of them jointly and each severally.

3. (1) The publisher etc. of every book printed, lithographed, or photographed, and published in any State in the Union of India, shall, after this Act comes into force, furnish, at his own expense, within one calendar month of the date of such printing, lithographing, photographing or publishing, to the Secretary to the House of the People who shall give, or cause to be given, a written receipt for the same, three copies of each such book or work printed, photographed, lithographed and published in any language, in any part of the Union of India for use in the library.

Copies of books to be delivered to Secretary to the House of the People.

(2) The copies so delivered under sub-section (1) to the Secretary to the House of the People shall be complete copies of the entire book, including all maps, charts, graphs, tables, notes, illustrations, sketches, drawings, wood-cuts, or photogravures included therein, printed on and stitched or sewn, and bound and got up in the best paper in the same manner as the best copies of the book published :

Provided that in the case of any book of which only a number of copies have been printed on superior paper and sewn or stitched and bound in a better manner and material, whether for presentation or for sale at a price higher than that charged for the ordinary edition, the copies required to be so furnished under this section shall be of the better or superior edition.

4. Without prejudice to any rights or privileges of the Government of India or the Government of a State, the provisions of this Act shall also be applicable to any work which has been prepared or published by or under the direction or control of any Government department.

Applica-  
tion.

5. If the publisher fails to comply with the provisions of this Act, he shall be liable on summary conviction to a fine not exceeding rupees one hundred in respect of each book, or each demand by the Secretary to the House of the People, in addition to the price of the copies of the book required to be furnished free of cost under this Act; and the fine shall be paid to the Secretary to the House of the People to be kept in a separate reserve fund to be used for the purposes of this Act.

Penalty  
for  
offences  
under  
the Act.

6. Any person affected by an order under section 5 may, within thirty days of the date of such order, appeal to the Court to which appeals from the Court making the order ordinarily lie; and such appellate Court may direct that execution of the order be stayed pending consideration of the appeal.

Appeal  
against  
the fine.

7. No Court inferior to that of a Presidency Magistrate or a Magistrate of the First Class shall try any offence against this Act.

Court  
to try  
offences  
under  
the Act.

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### STATEMENT OF OBJECTS AND REASONS

The most important National Libraries of the world, such as the British Museum, the Congressional Library in the United States, or the Bibliotheque Nationale of France, are built up and kept up-to-date by requiring copies of all books etc., printed and published within the jurisdiction of the countries concerned, to be supplied free of cost to such central institutions, under the authority of some national legislation.

In the United States as well as in Britain the Copyright legislation is utilised to achieve this object.

This Bill accordingly proposes to secure, for the use of the Library of Parliament, one copy at least of every book, or publication printed in India in any Indian or foreign language. The Library of Parliament should contain all available material for every problem that may engage the attention of Parliament. It should in fact be co-extensive with the problems of the entire public and private life in the country in all its aspects and phases.

NEW DELHI;  
*The 17th January, 1970.*

S. C. SAMANTA.

## BILL No. 13 OF 1970

*A Bill further to amend the Gift-Tax Act, 1958*

BE it enacted by Parliament in the Twenty-first Year of the Republic of India as follows:—

1. (1) This Act may be called the Gift-Tax (Amendment) Act, 1970. Short title and commencement.  
(2) It shall come into force at once.

2. In section 22 of the Gift-Tax Act, 1958 (hereinafter referred to as the principal Act), in sub-section (2), the following words shall be omitted, namely:— Amendment of section 22.

“but the Appellate Assistant Commissioner may admit an appeal after the expiration of the period aforesaid if he is satisfied that the appellant had sufficient cause for not presenting the appeal within that period.”

3. In section 23 of the principal Act, sub-sections (3), (6), (7) and (8) shall be omitted. Amendment of section 23.

Amend-  
ment  
of section  
25.

4. In section 25 of the principal Act, in sub-section (3), for the figures, brackets and words "(3) and (5) to (10)" the figures, brackets and the words "(5), (9) and (10)" shall be substituted.

Amend-  
ment  
of section  
26.

5. In section 26 of the principal Act, sub-section (2) shall be omitted.

Amend-  
ment  
of section  
35.

6. In section 35 of the principal Act, in sub-section (1), after the words "be punishable with", the words "imprisonment for a term which may extend to three months or with" shall be inserted.

**STATEMENT OF OBJECTS AND REASONS**

Under the provisions of the present Act the assessee can appeal against the orders of Gift-tax Officers even after the date of expiry of appeal. He can also apply for reference to arbitration the question of disputed value of taxable gifts. This results in delaying the dispute regarding the fixation of value of taxable gifts. The purpose of the present Bill is therefore to delete these provisions so as to avoid the delay thus caused.

NEW DELHI;

S. C. SAMANTA.

*The 19th January, 1970.*

## BILL No. 12 OF 1970

*A bill further to amend the Companies Act, 1956.*

BE it enacted by Parliament in the Twenty-first Year of the Republic of India as follows:—

**Short title and commencement.** 1. (1) This Act may be called the Companies (Amendment) Act, 1970.

(2) It shall come into force at once.

**Inser-  
tion of  
new  
section  
43B.** 2. After section 43A of the Companies Act, 1956 (hereinafter referred to as the principal Act), the following new section shall be inserted:

**“43B.** If a company, being a public company, alters its articles in such a manner that it becomes a private company, the company so altered shall cease to be entitled to the privileges and exemptions conferred on private companies by or under this Act, and this Act shall apply to the company so altered as if it were not a private company.”

**1956.**

3. In sub-section (1) of section 224 of the principal Act--

- (i) for the words "appoint an auditor or auditors", the words "select an auditor or auditors" shall be substituted; and
- (ii) for the word "appointment", the word "selection" shall be substituted;
- (iii) for the word "appointed", the word "selected" shall be substituted;
- (iv) the words "and shall send the names of auditor or auditors so selected for appointment to the Central Government for approval" shall be added at the end.

4. In clause (a) of section 237 of the principal Act, after the words "to report thereon", the words "within three months" shall be inserted.

5. In sub-section (1) of section 247 of the principal Act, after the words "and report", the words "within six months" shall be inserted.

6. In section 250 of the principal Act, sub-sections (6) and (7) shall be omitted.

7. After section 250A of the principal Act, the following new section shall be inserted, namely:—

"250AA. **Prosecution:** If from any report made under sections 247, 248 and 249 above, it appears to the Central Government that any person other than a shareholder has been financially interested in the success or failure of the company or has been controlling or materially influencing the company or any person or persons are found having an interest in company or in body corporate or firm acting as Managing Agent, or body corporate, firm or individual is found as associate of the Managing Agent, Secretaries and treasurers of a company the Central Government may after taking such legal advice as it thinks fit prosecute such person or persons or firm or body corporate for the offence, and it may cease the interest so held.”

8. In section 275 of the principal Act, for the word "twenty", the word "five" shall be substituted.

Amend-  
ment of  
section  
224.Amend-  
ment of  
section  
237.Amend-  
ment of  
section  
247.Amend-  
ment of  
section  
250.Insertion  
of new  
section  
250AA.Amend-  
ment  
of section  
275.

## STATEMENT OF OBJECTS AND REASONS

Under the present Act, private companies are exempted from the restrictions imposed on public companies and are also entitled to certain privileges to which the public companies are not entitled. The result is that an increasing number of public companies are converting themselves into private companies. The purpose of this Bill is to discourage this tendency.

2. At present, the auditors are solely appointed by the companies and are therefore under their influence. To ensure proper auditing of the accounts of a company, this Bill seeks to provide that the auditors selected by companies will have to be approved by the Central Government.

3. At present no time limit has been laid down for the inspectors to send their reports with the result that the investigation takes too long. The Bill seeks to fix time limits for the purpose.

4. There is at present no provision for prosecution of any person allegations against whom have been provided under sections 247, 248 and 249. The Bill seeks to provide for this.

5. Under the present Act, a Director or Managing Agent can become Director of twenty and Managing Agent of ten companies respectively, at a time. The purpose of this amendment is to reduce the number.

NEW DELHI;

S. C. SAMANTA.

*The 19th January, 1970.*

## BILL No. 11 of 1970

*A Bill further to amend the Constitution of India.*

Be it enacted by Parliament in the Twenty-first Year of the Republic of India as follows:—

1. This Act may be called the Constitution (Amendment) Act, 1970.	Short title.
2. In article 330 of the Constitution, in clause (2),—	Amendment of article 330.
(a) the words “as nearly as may be, the same proportion” shall be omitted; and	

(b) for the word "as" after the words "House of the People", the words "a proportion not less than" shall be substituted.

Amend-  
ment of  
article  
332.

3. In article 332 of the Constitution, in clause (3),—

(a) the words "as nearly as may be, the same proportion" shall be omitted; and

(b) for the word "as" after the word "Assembly", the words "a proportion not less than" shall be substituted.

## STATEMENT OF OBJECTS AND REASONS

Clause (2) of article 330 and clause (3) of article 332 of the Constitution, as at present worded, provide for reservation of seats for Scheduled Castes and Scheduled Tribes in Lok Sabha and the State Legislative Assemblies in the ratio "as nearly as may be" in which their population is to the total population of the State or the Union territory, as the case may be. It is noticed that while reserving seats for Scheduled Castes and Scheduled Tribes in Lok Sabha and the State Legislative Assemblies, the fraction of the population of Scheduled Castes and Scheduled Tribes in excess of the integral number of their ratio is ignored and shelter is taken under the words "as nearly as may be". It is felt that the number of seats reserved for Scheduled Castes and Scheduled Tribes in Lok Sabha and the State Legislative Assemblies should in no case be less than the ratio of their population in a State or Union territory. It may also be pointed out that in clause (4) of article 332 of the Constitution the phraseology of "a proportion not less than the population" is used and not that of "as nearly as may be". Even from the point of view of drafting and uniformity of language in the Constitution, the amendment suggested by me is necessary. Hence, amendment of articles 330 and 332 of the Constitution is proposed in the Bill.

NEW DELHI;

*The 20th January, 1970.*

SURAJ BHAN.

S. L. SHAKDHER,  
*Secretary.*

## CORRIGENDA

In the Gazette of India Extraordinary, Part II—Section 2, dated 24th December, 1969:—

page 1203 *against clause 12 in the margin—*  
*for "22 of 1934" read "32 of 1934".*  
*for "31 of 1949" read "1 of 1949"*

page 1205 line 9 for 'No. 30.2; read 'No. 30.02;  
 line 43—*after "Molluscs" for " " read " "*

page 1208 line 5—(a) *for "potatos" read "potatoes"*  
 (b) *for "capscum" read "capsicum"*

page 1210 line 47—*after "beans" insert " "*

page 1212 line 1—*for "descriptio o" read "description of"*

page 1214 line 43—*for "crustanceans" read "crustaceans"*  
 line 45—*for "crustanceans" read "crustaceans"*

page 1219 line 24—column (3) *for "whicheve" read "whichever"*

page 1220 line 22—*after "screened" insert " "*  
 line 31—*for "Fe<sub>3</sub>O<sub>4</sub>" read "Fe<sub>2</sub>O<sub>3</sub>"*

page 1221 line 4—*after "gypsum" insert " "*

page 1222 line 24—*for "(magnestite)" read "(magnesite)"*  
 line 29—*for "nickle" read "nickel"*

page 1223 line 11—*After the word "low" delete " "*

page 1226 line 51—*after "together" insert " "*

page 1227 line 5—*for "enriched instopoes" read "enriched isotop"*  
 line 31—*for "thicarbonates" read "thiocarbonates"*  
 line 32—*for "(reinckates)" read "reineckates"*

page 1230 line 3—*for "15:01|06" read "15.01|06"*  
*for "15:08|13" read 15.08|13"*  
 line 4—*for "22:08 or 22:09" read "22.08 or 22.9"*  
 line 13—*for "32:04|12" read "32.04|12"*  
 line 21—*for "(i)" read "(ij)"*  
 line 44—*for "31, 1971" read "31st, 1971"*

page 1233 line 14—*for ";" read ":"*  
 line 32—*for "30:04|05" read "30.04|05"*

page 1243 line 15—*for "artical" read "artificial"*

page 1244 line 33—*for "or Heading" read "of Heading"*  
 line 41—*for "material;" read "material,"*

page 1246 line 25—*after "Transmission" omit ;*  
line 51—*for "duy" read "duty"*

page 1247 line 20—*for "30:04|05" read "30.04|05"*  
line 37—*for "inc-ding" read "including"*

page 1249 line 2—*for "limitation" read "imitation"*

page 1255 line 47—*for "o" read "of"*  
line 48—*for "fallin" read "falling"*

page 1256 line 5—column 5—*for "o her" read "other"*  
line 47—*for "folling" read "falling"*

page 1257 line 15—column 3—*for "100%" read "100%"*  
line 17—*for "Metalised" read "Metallised"*

page 1258 line 2—*for "ramine" read "ramie"*  
line 3—Col. 2, for "Sub-heading N and description" *read "Sub-heading No. and description"*  
line 31—*for "56:01|04" read "56.01|04"*  
line 41—*for "1:66" read "1.66"*

page 1259 line 15—Column 2, *for "filres" read "fibres"*  
After line 18—draw a line at the end of Chapter 56.  
line 38—*for "and chenille" read "pile and chenille"*  
line 49—*for 58:04|10 read 58.04|10"*

page 1260 line 29—*for "cherille" read "chenille"*  
line 30—*for "trinmings" read "trimmings"*

page 1261 line 11—*after "material" for ";" read ;*

page 1267 line 2—*for "98:03|09" read "98.03|09"*  
lines 22-23—*after "included" insert .*

page 1269 line 48—*for "prectious" read "precious"*

page 1275 line 28—*for "0 10" read "0.10"*

Page 1276 line 14—*for "colls" read "coils"*

page 1277 line 2—*for "73:15" read "73.15"*

page 1279 line 19—*for "grapnnels" read "grapnels"*  
line 20—*for "Thereof" read "thereof"*  
line 21—*for "taples" read "staples"*  
line 43—*for "74:01|02" read "74.01|02"*

page 1280 line 19—*for "colled" read "coiled"*

page 1281 line 12—*for "75:03" read "75.03"*

page 1282 line 5—*for "76.04" read "76.03|04"*  
lines 29 & 37—*for "December—" read "December"*

page 1285 line 19—Column 3—*for "60-|" read "60%"*

page 1287 line 6—*for column "(1" read "(1)"*  
line 11—*for "razor" read "razors"*  
line 26—Column 6—*for "Durations" read "Duration"*

page 1289 line 9—for “69.69” read “69.09”  
line 13—for “84:64” read “84.64”

page 1290 line 17 for “faling” read “falling”  
line 39—for “machines” read “machines”

page 1294 line 6—Under the Words “Heading No.” insert “1”

page 1295 line 3—column (3)—for “standards” read “Standard”  
line 7—for “accessvries” read “accessories”  
line 12—for “pridt-” read “print-”  
line 13—for “flongs” read “flongs”  
line 25—for “spining” read “spinning”  
line 29—for “machline” read “machines”  
line 34—for “including” read “including”  
line 35—for “warp sizing” read “warp sizing”  
line 48—for “with” read “with”  
line 51—for “sqindle ffyers” read “spindle flye”  
line 53—for “heald and” read “healds and”  
line 60—for “feil” read “feet”  
line 61—for “felthat” read “felt-hat”  
line 66—for “make” read “made”  
line 68-69—for “fold-!ng” read “fold-ing”  
line 70—for “k!nd” read “kind”

page 1298 line 40 after “Taps” insert “,”  
lines 40-41—for “ap-plinces” read “appliances”  
line 42—for “tanaks” read “tanks”  
line 51—for “sta!nless” read “stainless”  
line 55—for “all” read “Ball”

page 1300 line 55—for “84:19” read “84.19”  
for “84:18” read “84.18”  
line 56—for “84:40” read “84.40”  
for “84:16” read “84.16”  
for “84:49” read “84.40”  
line 57—for “84:41” read “84.41”  
line 58—for “85.12” read “85.12”

page 1301 line 49—for “plugs; (dynamos” read “plugs); dynamos”  
line 54—for “moor” read “motor”

page 1306 line 10—for “specifld” read “specified”

page 1307 line 4—Column 6—for “pro ctive” read “protective”  
line 24—for “ormithopters” read “ornithopters”  
line 26—Col. 6—for “Duraration” read “Duration”  
line 29—Col. 6—for “protettive” read “protective”  
line 52—After “cranes” insert “and”

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page 1308 line 26—for “40:05|16” read “40.05|16”  
line 26—for “90.15.” read “90.15.”

page 1309 lines 38-39—for “classi-field” read “classi-fled”

page 1310 line 2—for “rate” read “rates”

page 1312 line 3—Col. (3) for “Sta dard” read “Standard”

page 1318 line 1—for “metal Chapter” read metal (chepter”

page 1321 line 33—for “indicate” read “indicates”

page 1322 line 13—After “untanned” insert “,”

